



6 May 2014

(14-2780)

Page: 1/2

Committee on Import Licensing

Original: Spanish

## IMPORT LICENSING SYSTEM OF COLOMBIA

### REPLIES OF COLOMBIA TO THE QUESTIONS FROM THE UNITED STATES

The following communication, dated 11 April 2014, is being circulated at the request of the delegation of Colombia.

Colombia thanks the United States for its questions and wishes to make the following reply.

The goods classified in the tariff lines indicated in Article 1 of Decree 2261 of 2012 (8429.11.00.00, 8429.19.00.00, 8429.51.00.00, 8429.52.00.00, 8429.59.00.00, 8431.41.00.00, 8431.42.00.00 and 8905.10.00.00) are subject to non-automatic licensing regardless of whether they are new or used. These licences are approved only if the use or destination of the goods to be imported is explicitly indicated and the importer can show that he has an import authorization, which is issued by the Directorate of Taxes and National Customs after checking that specific requirements have been fulfilled.

It should be mentioned that the authorities are currently reviewing the content of Decree 2261. The Government of Colombia will notify any changes that are made in good time in accordance with its undertakings under the Agreement on Import Licensing Procedures.

**Does Colombia intend to include a discussion of Decree 2261 in its Article 7.3 notification, which is due 30 September 2014? While this decree was not mentioned in Colombia's 2013 Annual 7.3 Questionnaire response, we would like to see the Decree referenced in Colombia's response to the upcoming Article 7.3 Questionnaire?**

Colombia wishes to point out that the basis for the updating of the 2013 annual questionnaire is Decree 925 of 9 May 2013 "establishing provisions governing applications for registration and import licences". This Decree was notified under the symbol G/LIC/N/3/COL/3.

Decree 925 of 2013 includes in its Annex 1 the tariff lines that fell within the non-automatic licensing ("prior licensing") regime for the machinery covered by Decree 2261 of 2012.

On the procedural side, we wish to stress that Articles 17, 19 and 25 of Decree 925 refer to the requirements, permits or authorizations that must be obtained by applicants for the corresponding licence so that the competent authority can analyse and decide whether to approve or refuse them. The questionnaire does not contain a specific question that would have given rise to mentioning the authorization required at the time of submitting a licence application in order to import the heavy machinery used in mining, as provided for in Article 2 of Decree 2261.

Lastly, Colombia wishes to repeat that the measure in question is currently being reviewed.

**The United States would like to understand how Colombia justifies the use of non-automatic import licenses to seek to solve its concerns regarding illegal mining, in light of the provision(s) of the Import Licensing Agreement. Are there measures that could effectively address this problem, other than border measures that can restrict legitimate trade? Has Colombia considered any alternative approaches?**

The Government of Colombia issued Decree 2261 of 2013 in order to take targeted short-term action to regulate, register and control imports of machinery used in mining as well as additional measures for the prevention and control of illegal mining and related activities. However, it is important to mention that for Colombia the problem of illegal mining is not confined to the scope of Decree 2261, nor is this its sole effort to combat a problem that results in factors such as a serious threat to the environment and the serious threat to national security owing to the development of the underground economy that finances criminal and terrorist activities.

On the contrary, this problem is being addressed comprehensively in the Andean region itself, as is clearly reflected by Decision 774 of 30 July 2012 of the Andean Council of Ministers of Foreign Affairs, "Andean Policy to combat illegal mining". This policy is aimed at optimizing the control and monitoring of the importation, exportation, transport, processing, marketing and any other type of transaction, within the Andean region and with other countries, of mineral ores and their products coming from illegal mining, as well as the machinery, equipment, inputs and hydrocarbons that can be used in illegal mining, *inter alia*.

Pursuant to that Decision, member countries undertook to strengthen control and traceability mechanisms for machinery, hydrocarbons, equipment and inputs used in mining as well as mining end products. It also urged them to adopt legislative, administrative and operational measures needed to ensure the prevention and control of illegal mining, in particular for the purpose of controlling and supervising the importation, exportation, transport, distribution and sale of machinery, parts and accessories, equipment and chemical inputs and hydrocarbons that can be used in illegal mining.

**Are there domestic producers of the goods covered by Decree 2261? If so, are those domestic producers subject to measures intended to prevent illegal mining?**

Colombia confirms that there is no domestic production of the goods covered by Decree 2261, and that for most of the tariff subheadings involved the current applied tariff is 0%, precisely because they are capital goods that are not manufactured in Colombia. The controls established under Decree 2261 are not aimed at protecting domestic industry.

---